Regulatory Commissions (SERCs) and in doing so these Commissions are required to be guided by the provisions contained in Section 61 of the Act which, *inter alia*, include the factors which would encourage competition, efficiency, economical use of the resources, safeguarding of consumer's interest and at the same time ensure recovery of the cost of electricity in a reasonable manner. The State Commissions are also required to ensure transparency while exercising its powers and discharging its functions.

The SERCs shall also be guided by the principles and methodologies specified by the Central Commission for determination of the tariff applicable to generating companies and transmission licensees.

In the terms and conditions of tariff for the peirod 1.4.2004 to 31.03.2009, Central Electricity Regulatory Commission has provided that depreciation would be permitted applying straight line method spread over the life of the asset. In addition, advance against depreciation shall also allowed to meet debt services obligations by considering the repayment period of loan as 10 years. The fixed cost goes on reducing as the assets gets depreciated.

Section 63 of the Electricity Act, 2003 provides that the Appropriate Commission shall adopt the tariff if such tariff has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government.

Central Government has issued the guidelines for competitive bidding for determination of tariff for procurement of power by distribution licensees. These guidelines, *inter-alia*, provide flexibility to bidders by laying down that ratio of minimum and maximum capacity charge for any year shall not be less than 0.7 to avoid excessive front loading or back loading during the period of contract.

Hike in Electricity Tariff

889. SHRI R.K. ANAND:
SHRI SANTOSH BAGRODIA:
SHRI HARISH RAWAT:

Will the Minister of POWER be pleased to state :

(a) how different States have increased electricity tariff every year based on fuel surcharge;

(b) which are the States that have increased the electricity tariff retrospectively and if so, under what circumstances;

(c) are there some States which are still charging electricity rates on approximation basis with a rise to increase at a later date; and

(d) whether there is any way by which tariff can be fixed in advance before the specific period starts so that no increase is involved retrospectively?

THE MINISTER OF POWER (SHRI P.M. SAYEED): (a) to (d) Under the Electricity Act, 2003, the tariff for supply of power to various categories of consumers is to be determined by the State Electricity Regulatory Commissions (SERCs) and in doing so these Commissions are required to be guided by the provisions contained in Section 61 of the Act which, *inter alia*, include the factors which would encourage competition, efficiency, economical use of the resources, safeguarding of consumer's interest and at the same time ensure recovery of the cost of electricity in a reasonable manner. The State Commissions are also required to ensure transparency while exercising its powers and discharging its functions.

Section 62(4) of the Act provide that no tariff or part of any tariff may ordinarily be amended, more frequently than once in any financial year, except in respect of any changes expressly permitted under the terms of any fuel surcharge formula as may be specified by the SERCs.

While fixing the tariff Fuel Cost Adjustment (FCA) is to be taken care of by SERCs.

The details of FCA charges applicable in some of States/Utilities are given in the Statement.

Statement

Rate of Fuel adjustment Charge levied on Lt/Ht Consumers for 2004

Sr. No.	Name of the Utility	Jan. 2004	Feb. 2004	Mar. 2004	Apr. 2004	May 2004	Jun. 2004	Jul. 2004	Aug. 2004	Sep. 2004	Oct. 2004	Nov. 2004	Dec. 2004
1.	Andhra Pradesh												
2.	Bihar												
3.	Chhattisgarh												
4.	Jharkhand												
5.	Maharashtra												
6.	West Bengal												
7.	Damodar Valley Corp.												
8.	Durgapur Projects Ltd.												
9.	Mumbai												
	(i) B.E.S.T.	140.00	105.00	80.00	60.00	135.00	135.00						
	(ii) B.S.E.S.												
	(iii) TATA's					112.00							

In B.E.S.T. no FCA for the first 200 Kwh/Month for Domestic Consumers and in B.S.E.S. & TATA's no FCA for the first 100 Kwh/Month for Domestic Consumers.

H-For Domestic L.T. Consumers and Power loom consumers (upto 25 BHP) FCA will be @ 65 P/Kwh

2003

Rate of Fuel adjustment charge levied on Lh/Ht Consumer for 2003

(Rates in Paise/Kwh)

Sr. No.	Name of the Utility	Jan. 2003	Feb. 2003	Mar. 2003	Apr. 2003	May 2003	Jun. 2003	Jul. 2003	Aug. 2003	Sep. 2003	Oct. 2003	Nov. 2003	Dec. 2003
1.	Andhra Pradesh												
2.	Bihar												
3.	Chhattisgarh	76.59(M)	76.59(M)	76.59(M)	76.59(M)	76.59(M)	76.59(M)	76.59(M)					
4.	Jharkhand												
5.	Maharashtra												
6.	West Bengal												
7.	Damodar Valley Corp.	48.24	48.24	48.24	50.24	50.24	50.24	50.24	50.24	50.24			
8.	Durgapur Projects Ltd.												
9.	Mumbai												
	(i) B.E.S.T.	180.00	180.00	180.00	180.00	180.00	170.00	170.00	170.00	170.00	170.00	155.00	155.00
	(ii) B.S.E.S.												
	(iii) TATA's	160.00	160.00	152.00	152.00	160.00	160.00						

In B.E.S.T. no FCA for the first 200 Kwh/Month for Domestic Consumers and in B.S.E.S. & TATA's no FCA for the first 100 Kwh/Month for Domestic Consumers.

M-For Domestic L.T. Consumers and Power loom consumers (upto 25 BHP) FCA will be @ 65 P/Kwh

2002

BEST - Bombay Electric Supply Transport

BSES - Bombay Suburban Electric Supply